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C O N F I D E N T I A L SECTION 01 OF 03 ASHGABAT 001534

SIPDIS

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TAGS: [IR](#) [PGOV](#) [PREL](#) [PHUM](#) [TX](#)

SUBJECT: IRAN: HUNGARIAN DIPLOMAT IN TEHRAN DESCRIBES
CHILLING EFFECT OF GOVERNMENT VIOLENCE

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Classified By: Charge d'Affaires Sylvia Reed Curran. Reasons 1.4(b) and (d).

11. (C) SUMMARY: Iran Watcher spoke recently with a Hungarian Embassy officer based in Tehran, who described the growing frustration of Iranian business leaders with the government's policies. He said that more and more businesses cannot meet their obligations and are declaring bankruptcy. In his conversations with Iranian contacts, he discerns a "chilling effect" of the government's use of violence against protesters and the harsh penalties and long sentences being imposed on detainees. He noted the observation of some in Iran that the security forces are targeting female protesters with particular harshness. He also commented on the Iranian government's response to the H1N1 epidemic, the absence of intellectual property protections, and other trends in Iran.
END COMMENT.

12. (C) Szabolcs Tutto, who heads the Economic and Trade section at the Hungarian Embassy in Tehran, spoke at length with Iran Watcher this week on a variety of topics, including Iranian government actions against the opposition movement, the state of the economy, life as a diplomat in Tehran and others. Tutto has been in Tehran for about 18 months, travels extensively throughout Iran, and visits Turkmenistan twice a year, where he is also an accredited diplomat. He was in Ashgabat this time to conduct a forum on business opportunities for the Turkmen government and companies with Hungarian firms.

IRANIAN BUSINESS LEADERS INCREASINGLY FRUSTRATED

13. (C) Tutto said that he was recently in Mashhad meeting with business leaders and industrialists to promote trade between Hungary and Iran. "At every stop," he said, and in other cities as well, factory owners and other business leaders expressed to him their opposition to the government, and told him that opposition members and sympathizers exist in much greater numbers than the government will admit or is known to the rest of the world. Many also expressed the view that the government's actions, especially concerning the nuclear issue, are harming the economy and destroying

businesses. He said that the Masshad business people he met appeared extremely frustrated, and seemed relieved to have an opportunity to air their views. One of them predicted that the coming months, particularly the international community's possible extension of sanctions to necessities such as fuel, could signal a "turning point."

¶4. (C) Overall, he said, Iranian companies are declaring bankruptcy in greater numbers than ever before, in part because of the economy's reliance on petro dollars, as last year's oil price drop caused serious problems. For the same reason, he said, more and more companies are failing to honor contracts and defaulting on loans. He predicts that increased sanctions, if implemented, will cause inflation in Iran to skyrocket even further.

HARSH SENTENCES AND VIOLENCE AGAINST PROTESTERS: A CHILLING EFFECT

¶5. (C) Tutto said that his contacts in Iran have indicated that, notwithstanding the swelling ranks of both the opposition and Iranians who identify and sympathize with the movement, the sweeping arrests and harsh sentences imposed on detained protesters are having a "chilling effect" on how far people will go to oppose the government. He described the Green Movement as in a state of "waiting," and trying to decide how best to move forward. "People are thinking twice before taking to the streets," he said. At the same time, he said, the government tries to project an image of not tolerating gratuitous violence in the prisons, such as its decision to put a dozen guards from (the now shut-down) Kahrizak prison, accused of rape and other atrocities, on trial.

DEMONSTRATIONS: WOMEN TARGETED?

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¶6. (C) Tutto has heard from local contacts in Tehran that the security forces seem to be targeting women in particular in their violence against the protesters. The rationale for this is that women are more easily discouraged by beatings and violence, and that by focusing on female protesters, the authorities can significantly weaken the opposition. He cited the example of the mother of a local Embassy employee, reportedly in her sixties, who was beaten and seriously injured in a recent protest. People present said that the Basij were targeting female protesters. Rumors abound as well that the Basij have received training in anti-protest techniques, including "hit and run" (where security forces move in quickly and beat the protesters harshly with batons and then quickly disperse and move on) from the Russian "Spetsnaz" (special forces).

INTELLECTUAL PROPERTY RULES? NOT IN IRAN

¶7. (C) Tutto describes Iran as a place where "everything is pirated, and everything is available." Just walking down the street, he said, one can purchase just-released American films not yet out on DVD in the U.S., computer software, and all kinds of books (even pirated copies of Lonely Planet's Iran travel guide, sold for between 20 and 30 dollars in the U.S. and Europe, is available in Iran for less than five dollars). He said some Hungarian Embassy staff who want to learn Farsi have procured the complete Rosetta Stone Farsi language course, normally retailing for hundreds of dollars, for just ten dollars. In addition, the latest Adobe software is just two dollars in Tehran.

H1N1 VACCINE IS AVAILABLE....BUT ONLY TO THE MILITARY AND IRGC

8.(C) Iran reportedly has no means of producing its own H1N1 vaccine and procured only two million doses (apparently from China). It reserved them only for the IRGC and members of the military, according to Tutto. This is despite the fact that the World Health Organization advises that to

effectively prevent an H1N1 epidemic, 50% of the population should receive the vaccination. Iran has reportedly experienced a 265% increase in H1N1 cases since July and a spike in deaths, he said.

A MULLAH IN EVERY SCHOOL; TALK OF EVEN STRICTER SHARIA APPLICATION

¶9. (C) Tutto made mention of the government's plans to place a member of the clergy in every school in Iran, with particular focus on primary schools. He said the government sees this as the only viable way of countering the opposition movement among Iran's youth, particularly as 70 percent of Iran's population is under the age of 30.

¶10. (C) Another effect of the opposition movement's challenge to the government is the latter's attempt to placate religious hard-liners in Iran, according to Tutto. He recently heard about statements by a law enforcement commander that the authorities are ready to start "cutting off heads" and "amputating hands," in apparent reference to criminal penalties applied under strict, literal interpretation of the Sharia to some criminal offenses.

MICROWAVES TO BLOCK TELEVISION TRANSMISSIONS

¶11. (C) Tutto said that he is frustrated by the lack of satellite news channels available at his home on his embassy's compound in North Tehran, including CNN, which has been unavailable now for months. He said the authorities use a system of microwaves, which, in addition to being an annoyance, could reportedly also cause harmful health effects to the population. An embassy colleague who resides in another part of Tehran has fewer stations blocked, he said, and is able to receive CNN.

¶12. (C) COMMENT: Our interlocutor, a Farsi-speaking diplomat based in Tehran who travels extensively throughout the

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country, has his ear to the ground in Iran. His observations, many of which recount disturbing actions by the Iranian authorities, also give a colorful picture of everyday life in the Islamic Republic. END COMMENT.
CURRAN